

**DEPARTMENT OF JUSTICE**  
**Funding for Existing Medicaid Fraud Control Unit Agent**

**Background**

The Medicaid Fraud Control Unit investigates provider fraud in the Medicaid system, elder abuse and elder exploitation at the request of local law enforcement agencies, the health care community and concerned citizens. As these groups have become more aware of the Medicaid Fraud Control Unit and its successes, the unit's workload has increased.

In response to this increasing workload, the 2005 Legislature authorized an additional permanent position for a Medicaid Fraud agent. However, the new FTE was funded with one-time-only funds.

**Need for Permanent Funding**

Medicaid Fraud Control Unit agents indirectly pay for themselves by recovering Medicaid funds that were collected fraudulently. These recovered monies are deposited back into the state's Medicaid program. Since its inception in May 1996, the unit has:

- resolved 582 referrals and cases
- recovered approximately \$25 million

These statistics do not include abuse cases, non-monetary cases or civil cases referred to DPHHS for recovery.

The number of agents directly affects the fraudulent funds recovered. In FY 2006, the unit was short two agents for approximately six months and the prosecutor position for 14 months, which led to a significant drop in funds recovered:

FY 05 recoveries	\$620,426
FY 06 recoveries	\$210,416
FY 07 recoveries	\$820,000 (projected through December 2006)

**Funding Request**

This program is funded with 25 percent general fund and 75 percent federal funds. To permanently fund the Medicaid Fraud agent authorized in 2005 and the unit's operating funds for the next biennium, the Division of Criminal Investigation requests a total of \$205,224:

- General Fund: \$51,306
- Federal Special Revenue Authority: \$153,918

Year	Funding Source	FTE	Personal Services	Operating Expenses
FY 08	25% GF 75% FSR	0	\$65,182	\$36,435
FY 09	25% GF 75% FSR	0	\$65,360	\$38,247